



BILLING CODE: 4410-09-P

**DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION**

**SOUTHWEST K-9
DECISION AND ORDER**

On August 16, 2011, the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, issued an Order to Show Cause to Southwest K-9 (hereinafter, Applicant), of New Braunfels, Texas. The Show Cause Order proposed the denial of Applicant's application for a DEA Certificate of Registration as a Canine Handler/Researcher, on the ground that its "registration would be inconsistent with the public interest." Show Cause Order at 1.

More specifically, the Show Cause Order alleged that Applicant had applied for a registration as a Canine Handler/Researcher of controlled substances in schedule I but that it currently lacks authority to handle controlled substances in the State of Texas, the State in which it seeks a DEA registration. *Id.* The Show Cause Order further alleged that Applicant has failed to: 1) obtain other required state licenses, 2) provide information required by DEA on the application for registration, 3) "provide proposed procedures for sufficiently reporting findings of illicit drugs to law enforcement officials," 4) "provide evidence that [it has] taken steps to obtain dogs from a kennel or trainer," as well as to either lease or build its own kennel space, and 5) "institute . . . procedures for ensuring that its services will not be offered to illegal drug traffickers." *Id.* at 2. In addition, the Order alleged that Applicant "requested a registration to handle controlled substances in types and quantities far in excess of what is required to conduct research involving canines" and that it "failed to provide sufficient evidence of need" for canine drug detection services in the area where it proposes to do business. *Id.* The Order also notified

applicant of its right to request a hearing on the allegations or to submit a written statement in lieu of a hearing, the procedures for doing so, and the consequences for failing to do either. Id.

As evidenced by the signed return receipt card, on September 6, 2011, the Government served the Show Cause Order on Applicant. GX 4. Since then, more than thirty days have now passed and neither Applicant, nor anyone purporting to represent it, have requested a hearing or submitted a written statement in lieu of a hearing. 21 CFR 1301.43(d). I therefore find that Applicant has waived its right to a hearing or to submit a written statement and issue this Decision and Final Order based on the record submitted by the Government. Id. 1301.43(d) & (e). I make the following findings.

FINDINGS

On March 3, 2010, Applicant applied for a registration authorizing it to handle schedule I controlled substances as a canine handler, an activity which requires a researcher's registration. GX 6. Applicant provided as its proposed registered location an address in New Braunfels, Texas and checked each of the twenty-two schedule I controlled substances listed on the application form as drugs it sought authority to handle. Id. at 1-2. While on the application, Applicant was required to list any state licenses or controlled substances registration which authorizes it to engage in research or otherwise handle controlled substances, Applicant left this part of the form blank. Id. at 3. According to the affidavit of a Diversion Investigator (DI) who was assigned to review its application, Applicant possesses neither a Texas Controlled Substances Registration, which is required by Texas law, nor the license required by Texas law to operate a Guard Dog Company. GX 5, at 2. (citing Texas Health & Safety Code § 481.061(a) and Texas Occupations Code § 1702.116).

According to the DI, he interviewed Mr. Ryan Taylor, Applicant's co-owner, who stated he had two and one half years of law enforcement experience and that its manager, Ms. Mellissa Jones, was a retired police officer with twenty years of law enforcement experience. Id. However, Mr. Taylor "provided no evidence that any of its employees and/or owners possessed any ability or experience [in] training . . . canines for drug detection." Id. (citing 21 CFR 1301.18(a)(1)(iii)). The DI also found Applicant's protocols to be deficient in that they did not explain how Applicant would screen its potential customers to ensure that it was not providing services to drug dealers. Id.

DISCUSSION

Under the Controlled Substances Act (CSA), a canine handler is deemed to be a researcher and is subject to the registration and licensing requirements of section 303(f), 21 U.S.C. § 823(f). See Angelos Michalatos d/b/a Contraband Searches and Investigations, 54 FR 48161 (1989) (applying registration standards of 21 U.S.C. § 823(f) to canine handlers); see also 21 U.S.C. § 802(21) ("The term 'practitioner' means . . . [an] other person licensed, registered, or otherwise permitted, by the United States or the jurisdiction in which he practices or does research, to distribute, . . . conduct research with respect to, . . . or use in teaching or chemical analysis, a controlled substance in the course of professional practice or research."). Likewise, section 823(f) imposes, as a condition of obtaining a registration under this provision, that the applicant must be currently authorized to handle controlled substances under the laws of the State in which it performs such activities. See 21 U.S.C. § 823(f) ("The Attorney General shall register practitioners . . . to . . . conduct research with[] controlled substances . . . if the applicant is authorized to . . . conduct research with respect to controlled substances under the laws of the State in which he practices."); see also id. § 824(a)(3) (authorizing revocation of a registration

“upon a finding that the registrant . . . has had his State license or registration suspended [or] revoked . . . and is no longer authorized by State law to engage in the . . . distribution [or] dispensing of controlled substances”). See Michalatos, 54 FR at 48161; see also Robert G. Crummie, 76 FR 71369 (2011); David W. Wang, 72 FR 54297 (2007).

Under Texas law, “a person who is not a registrant may not manufacture, distribute, prescribe, possess, analyze, or dispense a controlled substance in th[at] State.” Tex. Health & Safety Code § 481.061(a).¹ Because Applicant does not possess authority under Texas law to handle controlled substances, it therefore does not meet a threshold requirement for obtaining a registration as a researcher under the CSA.² See 21 U.S.C. §§ 802(21) & 823(f). Accordingly, Respondent’s application will be denied.

ORDER

Pursuant to the authority vested in me by 21 U.S.C. § 823(f), as well as 28 CFR 0.100(b), I order that the application of Southwest K-9 for a DEA Certificate of Registration as a Canine Handler/Researcher, be, and it hereby is, denied. This Order is effective [Insert Date Thirty Days From Date Of Publication In The Federal Register].

Date:
January 19, 2012

Michele M. Leonhart
Administrator

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¹ While Texas law provides several exemptions from registration, none of these apply here. See Tex. Health & Safety Code § 481.062(a).

² Because Respondent does not have current authority to handle controlled substances under Texas law, it is not necessary to make further findings as to whether its registration is consistent with the public interest.